

Date Mailed January 28, 1999

BEFORE THE

PUBLIC SERVICE COMMISSION OF WISCONSIN

Investigation of Possible Improper Subsidization
by Chibardun Telephone Cooperative, Inc., of its
Subsidiaries and of Possible Related Violations

1090-TI-100

**NOTICE OF PROCEEDING
AND
INVESTIGATION**

THIS IS A PROCEEDING, pursuant to Wis. Stat. §§ 196.02, 196.219(4)(a), 196.28(1), 196.37(2), and 196.52(5), other provisions of Wis. Stat. ch. 196 as may be pertinent hereto, and Wis. Admin. Code § PSC 2.10(2), to formally investigate whether Chibardun Telephone Cooperative, Inc. (Chibardun), has violated or is violating one or more of Wis. Stat. §§ 196.204, 196.219, 196.37, or 196.52 in its dealings with its wholly owned subsidiaries CTC Communications, Inc., and CTC Telcom, Inc., (the latter subsidiary was merged into the former as of December 31, 1998).

Allegations of misconduct were originally brought to the Commission's attention by the October 31, 1997, "Petition of Marcus Cable Partners, L.P. for Investigation of Chibardun Telephone Cooperative, Inc. and CTC Telcom, Inc." The matters presented in the petition were informally investigated by Commission staff pursuant to Wis. Admin. Code § PSC 2.10(1). Staff submitted its findings to the Commission on January 11, 1999. Those findings were considered by the Commission, in closed session, on January 19, 1999.

The Commission considers it necessary to investigate all books, accounts, practices and activities of Chibardun and CTC Telcom, Inc. CTC Telcom, Inc., was previously known as CTC Communications, Inc., but took its present name on January 1, 1999, when it became the surviving entity of a merger with a sister subsidiary, a reseller named CTC Telcom, Inc.

The Commission is not, at this time, opening a contested case proceeding pursuant to Wis. Stat. ch. 227. However, preliminary review of staff's informal investigation suggests that a Class 1 or 2 proceeding may be warranted. The Commission will decide what enforcement action, if any, to take at the earliest appropriate time.

This is a Type III action under Wis. Admin. Code § PSC 4.10(3). Since no unusual circumstances have come to the attention of the Commission which indicate that significant environmental consequences are likely, neither an environmental impact statement under Wis. Stat. § 1.11 nor an environmental assessment is required.

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The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to get this document in a different format should contact the case coordinator listed below.

Questions regarding this matter may be directed to case coordinator Michael S. Varda, Legal Counsel, Telecommunications Division, at (608) 267-3591.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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